

**LOUISIANA PUBLIC HEALTH  
INSTITUTE**

Audits of Financial Statements

June 30, 2013 and 2012



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## **Independent Auditor's Report**

To the Board of Directors  
Louisiana Public Health Institute

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Louisiana Public Health Institute (LPHI) which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**NEW ORLEANS HOUSTON BATON ROUGE COVINGTON**

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***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Public Health Institute as of June 30, 2013 and 2012, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters******Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Other Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise LPHI's basic financial statements. The schedule of expenditures of federal awards as required by Office of Management and Budget ("OMB") Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated August 13, 2013, on our consideration of LPHI's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA  
August 13, 2013

**LOUISIANA PUBLIC HEALTH INSTITUTE**  
**Statements of Financial Position**  
**June 30, 2013 and 2012**

	2013	2012
<b>Assets</b>		
Cash and Cash Equivalents - Unrestricted	\$ 935,552	\$ 1,193,198
Grants Receivable	3,249,617	3,851,122
Due from NNPHI	344,415	253,000
Other Receivables	43,255	141,886
Cash and Cash Equivalents - Restricted	27,198,319	10,170,169
Furniture and Office Equipment, Net	9,854	16,329
Other Assets	113,825	1,325
	<u>31,894,837</u>	<u>15,627,029</u>
<b>Total Assets</b>	<b>\$ 31,894,837</b>	<b>\$ 15,627,029</b>
<b>Liabilities</b>		
Accounts Payable	\$ 2,624,573	\$ 2,344,345
Accrued Liabilities	268	60,633
Deferred Grant Revenue	27,545,237	11,650,493
	<u>30,170,078</u>	<u>14,055,471</u>
<b>Total Liabilities</b>	<b>30,170,078</b>	<b>14,055,471</b>
<b>Net Assets</b>		
Unrestricted	1,676,162	1,437,292
Temporarily Restricted	48,597	134,266
	<u>1,724,759</u>	<u>1,571,558</u>
<b>Total Net Assets</b>	<b>1,724,759</b>	<b>1,571,558</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 31,894,837</b>	<b>\$ 15,627,029</b>

The accompanying notes are an integral part of these financial statements.

**LOUISIANA PUBLIC HEALTH INSTITUTE**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended June 30, 2013**

	Unrestricted	Temporarily Restricted	Total
<b>Support and Revenue</b>			
Grants and Contracts	\$ 24,112,735	\$ -	\$ 24,112,735
Contributions	-	19,177	19,177
Other Revenue	642,317	-	642,317
Interest Income	544	-	544
Net Assets Released from Restrictions	104,846	(104,846)	-
<b>Total Support and Revenue</b>	<b>24,860,442</b>	<b>(85,669)</b>	<b>24,774,773</b>
<b>Expenses</b>			
Program Services and Grants	23,675,322	-	23,675,322
General and Administrative	946,250	-	946,250
<b>Total Expenses</b>	<b>24,621,572</b>	<b>-</b>	<b>24,621,572</b>
<b>Change in Net Assets</b>	<b>238,870</b>	<b>(85,669)</b>	<b>153,201</b>
<b>Net Assets, Beginning of Year</b>	<b>1,437,292</b>	<b>134,266</b>	<b>1,571,558</b>
<b>Net Assets, End of Year</b>	<b>\$ 1,676,162</b>	<b>\$ 48,597</b>	<b>\$ 1,724,759</b>

The accompanying notes are an integral part of these financial statements.

**LOUISIANA PUBLIC HEALTH INSTITUTE**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended June 30, 2012**

	Unrestricted	Temporarily Restricted	Total
<b>Support and Revenue</b>			
Grants and Contracts	\$ 21,825,325	\$ -	\$ 21,825,325
Contributions	-	162,332	162,332
Other Revenue	813,629	-	813,629
Interest Income	1,580	-	1,580
Net Assets Released from Restrictions	137,691	(137,691)	-
<b>Total Support and Revenue</b>	<b>22,778,225</b>	<b>24,641</b>	<b>22,802,866</b>
<b>Expenses</b>			
Program Services and Grants	21,822,945	-	21,822,945
General and Administrative	668,873	-	668,873
<b>Total Expenses</b>	<b>22,491,818</b>	<b>-</b>	<b>22,491,818</b>
<b>Change in Net Assets</b>	<b>286,407</b>	<b>24,641</b>	<b>311,048</b>
<b>Net Assets, Beginning of Year</b>	<b>1,150,885</b>	<b>109,625</b>	<b>1,260,510</b>
<b>Net Assets, End of Year</b>	<b>\$ 1,437,292</b>	<b>\$ 134,266</b>	<b>\$ 1,571,558</b>

The accompanying notes are an integral part of these financial statements.

**LOUISIANA PUBLIC HEALTH INSTITUTE**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 153,201	\$ 311,048
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	12,336	24,799
Bad Debt Expense	41,818	-
(Increase) Decrease in:		
Grants Receivable	601,505	(1,970,719)
Due from NNPHI	(91,415)	(17,443)
Other Receivables	56,813	(35,601)
Other Assets	(112,500)	-
Increase (Decrease) in:		
Accounts Payable	280,228	1,898,334
Accrued Liabilities	(60,365)	38,691
Due to Clinics - PCASG	-	(1,335,939)
Deferred Grant Revenue	15,894,744	9,556,303
<b>Net Cash Provided by Operating Activities</b>	<b>16,776,365</b>	<b>8,469,473</b>
<b>Cash Flows from Investing Activities</b>		
Capital Expenditures	(5,861)	-
Increase in Restricted Cash	(17,028,150)	(7,981,744)
<b>Net Cash Used in Investing Activities</b>	<b>(17,034,011)</b>	<b>(7,981,744)</b>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(257,646)</b>	<b>487,729</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>1,193,198</b>	<b>705,469</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 935,552</b>	<b>\$ 1,193,198</b>

The accompanying notes are an integral part of these financial statements.

# LOUISIANA PUBLIC HEALTH INSTITUTE

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies

#### **Nature of Activities**

The Louisiana Public Health Institute (LPHI) is an independent 501(c)(3) organization established in 1997. LPHI is a part of a growing movement of public health institutes in America. As a primary strategy, LPHI creates and fosters collaborative endeavors in the areas of health information, public policy, applied research, and community capacity enhancement. LPHI is dedicated to promoting the health and well-being of the people of Louisiana through public-private partnerships.

#### **Basis of Accounting**

LPHI prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, involving the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

#### **Basis of Presentation**

The financial statements are presented in accordance with the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Accordingly, LPHI is required to report information regarding its financial position and activities according to three classes of net assets which are based on the absence or existence and nature of donor-imposed restrictions, as follows: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. LPHI has no permanently restricted net assets.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Furniture and Office Equipment**

Acquisitions of furniture and office equipment with an estimated useful life of greater than one year and acquisitions of computer equipment in excess of \$5,000 are capitalized. Furniture, office equipment, computer equipment are carried at cost or, if donated, at the approximate fair value at the date of the donation. Depreciation is computed using primarily the straight-line method over the estimated useful lives of the assets.

#### **Contributions**

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in temporarily restricted or permanently restricted net assets, depending on the nature of the restrictions. When the restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions.

# LOUISIANA PUBLIC HEALTH INSTITUTE

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### **Contributed Services**

No amounts have been reflected in the financial statements for contributed services since the recognition criteria under accounting principles generally accepted in the United States of America have not been met.

#### **Revenue and Expenses**

Support for LPHI is provided primarily by grants funded by private foundations and by State and Federal agencies. LPHI also receives support through its role as an administrator of court settlement funds utilized in alignment with the mission and purpose of LPHI. Grant revenue is recognized when the qualifying expenditures have been incurred and all other grant requirements have been met. Grant funding received in advance of expenditures for allowable grant purposes is recognized as deferred revenue. Expenditures are to be made in accordance with grant budgets that have been adopted.

#### **Grants Receivable**

LPHI considers grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is provided. If amounts become uncollectible, they are charged to operations when that determination is made. The use of this method does not differ materially from the allowance method required by accounting principles generally accepted in the United States of America.

#### **Cash and Cash Equivalents**

For the purposes of the statements of cash flows, LPHI considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

#### **Cash Flow Information**

LPHI did not make any cash payments for interest or income taxes during the years ended June 30, 2013 and 2012.

#### **Federal Income Taxes**

LPHI is exempt from Federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code.

### Note 2. Concentration of Risk

#### **Economic Dependency**

Support for LPHI is provided primarily by grants funded by private foundations and by State and Federal agencies. LPHI also receives support through its role as an administrator of court settlement funds utilized in alignment with the mission and purpose of LPHI. The continued operations of LPHI are dependent upon the renewal of current grants and/or the procurement of additional funding sources.

# LOUISIANA PUBLIC HEALTH INSTITUTE

## Notes to Financial Statements

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### Note 2. Concentration of Risk (Continued)

#### Cash Deposits

Although LPHI maintains cash in bank accounts in excess of FDIC insured limits, it has entered an agreement with its financial institution to invest its cash in overnight repurchase agreements in order to secure its cash balances.

### Note 3. Cash and Cash Equivalents - Restricted

During the year ended June 30, 2004, LPHI entered into a contract with the Louisiana Cancer Research Center (LCRC) whereby LPHI is to provide management, operational, and monitoring supervision of specific programs for the creation of the Louisiana Campaign for Tobacco-Free Living (TFL). Under the contract, LCRC advanced \$930,000 to LPHI. With these funds, LPHI established two separate bank accounts for the TFL; one account was established as an operating account, the other as a money market investment account. The funds within the account are to be used strictly for expenditures associated with the TFL. During the year ended June 30, 2005, LPHI closed the money market investment account.

During the year ended June 30, 2011, LPHI entered into a contract with the W.K. Kellogg Foundation (Kellogg) to strengthen community-based access to physical and mental health services for school-age children and their families in New Orleans and neighboring communities by expanding school-based health centers. As required by the contract, LPHI maintains a separate accounting for the proceeds and unspent funds are deemed restricted for financial reporting purposes. In addition, LPHI is required to use all interest earned to further the project.

During the year ended June 30, 2012, LPHI entered into a grant agreement with BP Exploration & Production Inc., and BP American Production Company (collectively referred to as "BP") as part of the Gulf Region Health Outreach program to expand capacity for and access to high quality, sustainable, community-based healthcare services. As required by the grant agreement, LPHI is to maintain all unspent or uncommitted grant funds in highly liquid interest-bearing or income-earning investments. Any interest or other income generated by the grant must be applied to the purpose of the project.

During the year ended June 30, 2012, the United States District Court for the Eastern District of Louisiana approved a joint petition which named LPHI as the distributor of funds held in a charitable fund. As stated in the Court's order, these funds are required to be held in interest bearing accounts.

# LOUISIANA PUBLIC HEALTH INSTITUTE

## Notes to Financial Statements

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### Note 3. Cash and Cash Equivalents - Restricted (Continued)

A reconciliation of the amount of temporarily restricted cash reflected on the statements of financial position at June 30, 2013 and 2012, follows:

	2013	2012
Temporarily Restricted Cash - TFL	\$ 206,495	\$ 206,131
Temporarily Restricted Cash - Kellogg	476,737	504,048
Temporarily Restricted Cash - BP	20,566,041	2,189,247
Temporarily Restricted Cash - Other	<u>5,949,046</u>	<u>7,270,743</u>
<b>Total</b>	<b><u>\$27,198,319</u></b>	<b><u>\$10,170,169</u></b>

### Note 4. Other Receivables

Other receivables consist of service related receivables which were \$43,255 and \$141,886, for years ended June 30, 2013 and 2012, respectively. During 2013, LPHI recorded \$41,818 in bad debt expense relating to other receivables for balances that were deemed uncollectable.

During the fiscal year ended June 30, 2008, LPHI began to earn fees for services related to information technology, communication, media, and program evaluations rendered to other agencies and not-for-profit organizations. This revenue is included in "Other Revenue" in the statements of activities and changes in net assets.

### Note 5. Furniture and Office Equipment

Furniture and office equipment consist of the following at June 30<sup>th</sup>:

	2013	2012
Computer Equipment	\$ 186,710	\$ 180,849
Computer Software	8,184	8,184
Office Furniture	<u>6,584</u>	<u>6,584</u>
	201,478	195,617
Less: Accumulated Depreciation	<u>(191,624)</u>	<u>(179,288)</u>
<b>Total</b>	<b><u>\$ 9,854</u></b>	<b><u>\$ 16,329</u></b>

Depreciation expense for the years ended June 30, 2013 and 2012, totaled \$12,336 and \$24,799, respectively.

# LOUISIANA PUBLIC HEALTH INSTITUTE

## Notes to Financial Statements

### Note 6. Temporarily Restricted Net Assets

Temporarily restricted net assets activity for the year ended June 30, 2013, consisted of the following:

	Beginning Balance	Contributions Received	Releases	Ending Balance
<b>Louisiana Community AIDS</b>				
Partnership Program	\$ 91,884	\$ 19,177	\$ (63,443)	\$ 47,618
Text4health Program	34,700	-	(33,721)	979
International AIDS Conference	7,682	-	(7,682)	-
<b>Total</b>	<b>\$ 134,266</b>	<b>\$ 19,177</b>	<b>\$ (104,846)</b>	<b>\$ 48,597</b>

Temporarily restricted net assets activity for the year ended June 30, 2012, consisted of the following:

	Beginning Balance	Contributions Received	Releases	Ending Balance
<b>Louisiana Community AIDS</b>				
Partnership Program	\$ 109,625	\$ 85,350	\$ (103,091)	\$ 91,884
Louisiana Youth and Young Adult Summit on Tobacco	-	5,000	(5,000)	-
Text4health Program	-	64,300	(29,600)	34,700
International AIDS Conference	-	7,682	-	7,682
<b>Total</b>	<b>\$ 109,625</b>	<b>\$ 162,332</b>	<b>\$ (137,691)</b>	<b>\$ 134,266</b>

### Note 7. Commitments and Contingencies

#### Leases

LPHI leases office facilities under an operating lease which expires in January 2017. Minimum future rental payments under this lease follow for the years ending June 30<sup>th</sup>:

Years	Amount
2014	\$ 337,641
2015	317,394
2016	300,631
2017	<u>155,811</u>
<b>Total</b>	<b><u>\$ 1,111,477</u></b>

LPHI also leases office facilities on a month-to-month basis. Rent expense incurred during the years ended June 30, 2013 and 2012, totaled \$278,107 and \$249,767, respectively.

# LOUISIANA PUBLIC HEALTH INSTITUTE

## Notes to Financial Statements

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### Note 7. Commitments and Contingencies (Continued)

#### Line of Credit

At June 30, 2013 and 2012, LPHI had a \$150,000 unsecured line of credit available from a financial institution. LPHI had no balance outstanding with the line of credit as of June 30, 2013, nor as of June 30, 2012.

### Note 8. Related Party Transactions

#### Grants and Contracts

Several of LPHI's board members are employed by organizations with which LPHI has grant agreements or contracts for services.

#### Due from NNPHI

During the year ended June 30, 2003, LPHI entered into an agreement with the National Network of Public Health Institutes (NNPHI) whereby LPHI is to provide supervision of NNPHI business activities and affairs and the provision of personnel and other support services as mutually agreed upon. Effective July 1, 2012, this agreement was amended to update the terms of compensation and level of managerial services. As part of this amended agreement, the Chief Executive Officer of LPHI served as Chief Executive Officer of NNPHI through December 31, 2012, and reported directly to the board of directors of NNPHI. As of January 1, 2013, the NNPHI board of directors hired its own Chief Executive Officer that reports directly to the board of directors of NNPHI. As per the amended agreement, LPHI bills NNPHI monthly for its personnel and support services and other direct expenses incurred by LPHI on behalf of NNPHI. In addition to the aforementioned, LPHI also bills NNPHI a monthly management services fee of \$7,500. Revenue associated with the monthly management service fee is included in "Other Revenue" in the statements of activities and changes in net assets. LPHI does not recognize any revenue associated with the billing of the personnel and support services as these items are simply passed to NNPHI at cost.

As part of managerial services to NNPHI, LPHI provides personnel and support services and also performs payroll recordkeeping and processing for NNPHI. NNPHI balances owed to LPHI are recorded in due from NNPHI as reported in the statement of financial position. As of June 30, 2013 and 2012, LPHI had a balance due from NNPHI totaling \$344,415 and \$253,000, respectively, relating to services provided in accordance with the above service agreement.

### Note 9. Pension Plan

LPHI sponsors a defined contribution retirement plan established under Section 403(b) of the Internal Revenue Code (the 403b plan). The amount contributed by LPHI for the years ended June 30, 2013 and 2012, was \$391,415 and \$299,241, respectively.

# LOUISIANA PUBLIC HEALTH INSTITUTE

## Notes to Financial Statements

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### **Note 9. Pension Plan (Continued)**

As of January 1, 2013, LPHI terminated the 403b plan and established a defined contribution retirement plan under Section 401(k) of the Internal Revenue Code (the 401k plan). The 403b plan balances were directly transferred into the 401k plan in January 2013 and were retained with the same custodian, ING Life Insurance and Annuity Company. All plan provisions from the 401k plan adoption agreement are consistent with the provisions that were in the 403b plan adoption agreement.

### **Note 10. Functional Allocation of Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### **Note 11. Uncertain Tax Positions**

LPHI accounts for uncertain tax positions in accordance with Financial Accounting Standards Board (FASB) ACS 740, *Income Taxes*. FASB ACS 740, *Income Taxes*, prescribes recognition threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. The interpretation also provides guidance on recognition, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Management evaluated LPHI's tax positions for the year ended June 30, 2013, and concluded that the organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. LPHI's tax filings are subject to audit by various taxing authorities. LPHI's open audit periods are for the fiscal years ended June 30, 2010 through June 30, 2012.

### **Note 12. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued August 13, 2013 and determined that no events occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**SUPPLEMENTAL INFORMATION**

**LOUISIANA PUBLIC HEALTH INSTITUTE**  
**Schedule of Program Services and Grant Expenses**  
**For the Years Ended June 30, 2013 and 2012**

**Schedule I**

<b>Program/Grant</b>	<b>2013</b>	<b>2012</b>
Louisiana Campaign for Tobacco-Free Living	\$ 5,953,073	\$ 5,895,051
Crescent City Beacon Community	4,899,529	4,706,995
Gulf Region Health Outreach Program	4,003,052	252,875
New Orleans Charitable Health Fund	1,899,253	1,221,627
Orleans Teen Pregnancy Prevention Project (4RealHealth) Year 3	947,235	-
OPH Tobacco Control Program	831,231	914,626
Orleans School Based Health Impact and Sustainability Program	620,474	671,746
Kellogg: School Health Connection Phase Two	485,290	879,901
Maternal and Child Health	389,843	191,232
Positive Charge: HIV/AIDS Initiative	339,124	383,474
Orleans Teen Pregnancy Prevention Project (4RealHealth) Year 2	315,171	1,148,621
Children's Special Health Services	279,211	267,194
Evaluation: Special Projects	277,646	247,581
New Orleans Neighborhood Health Implementation Plan	250,459	194,539
Smoking Cessation Trust	192,720	-
Assessment of New Orleans Community Health Clinics	164,835	120,909
Louisiana Health Center Controlled Networks	161,430	-
School Health Connection: Supplemental Funding	157,340	-
MCH: Evaluation	129,571	-
Regional Extension Center	106,424	83,351
Communications: Special Projects	99,547	143,647
National Public Health Performance Standards Project	97,376	14,014
Information Services: Special Projects	95,444	111,228
REACH for Community Organizations to Respond and Evaluate	89,418	164,640
Section of Environmental Epidemiology & Toxicology Public Health Project	78,185	71,381
Baton Rouge HIV/AIDS	69,523	1,282
Personal Responsibility Education Program	66,354	45,358
BCM: Corpus Christi	63,443	10,745
National AIDS Fund: LCAP Match	61,013	103,091
New Orleans Bike and Ped Infrastructure Initiative	56,589	112,405
AIDS Social Marketing Campaign	50,000	28,583
NovoNordisk: Enrollment Contest	49,380	-
BCBS: FitNOLA	48,648	-
Health Information Exchange	46,978	-
Louisiana SPNS Systems Linkage Project: HIV/AIDS	33,721	20,714
Novo Nordisk: Text4health Evaluation	32,884	29,600

**LOUISIANA PUBLIC HEALTH INSTITUTE**  
**Schedule of Program Services and Grant Expenses (Continued)**  
**For the Years Ended June 30, 2013 and 2012**

**Schedule I**

<b>Program/Grant</b>	<b>2013</b>	<b>2012</b>
BRAF 2: AU Local Match	<b>24,090</b>	-
DHH: GNOCHC	<b>23,469</b>	7,411
Smart Growth America: Transportation for America	<b>22,291</b>	-
BCM: High Risk Women Primary Care Project	<b>21,582</b>	-
Social Innovation Fund: Louisiana Reentry Initiative	<b>20,108</b>	-
Central Louisiana Economic Development Alliance: Local Foods Initiative	<b>18,131</b>	-
Birth Outcomes Project	<b>15,908</b>	-
Research Triangle Institute: CHATS	<b>13,187</b>	42,299
Family Health International: HIV Prevention Trials Network Scholars Program	<b>11,333</b>	27,694
Hearing, Speech and Vision Program Epidemiologist	-	58,532
Primary Care and Access Stabilization Grant	-	3,167,725
Orleans Teen Pregnancy Prevention Program	-	374,704
REACH Louisiana	-	55,720
Other *	<b>63,809</b>	52,450
<b>Total Program Services and Grants</b>	<b>\$ 23,675,322</b>	<b>\$ 21,822,945</b>

*\* Amount may vary from year to year depending on the level of significance for individual Program/Grant.*

**LOUISIANA PUBLIC HEALTH INSTITUTE**  
**Schedule of Revenues and Expenditures - TFL**  
**For the Year Ended June 30, 2013**

**Schedule II**

<b>Unrestricted Support and Revenue</b>	
Grants Revenue - Government	\$ 5,953,073
<b>Total Unrestricted Support and Revenue</b>	<u>5,953,073</u>
<b>Expenses</b>	
Contractual	3,060,001
Salaries	1,385,850
Grants	412,135
Sponsorships	234,921
Marketing	139,036
Health Insurance	111,434
Payroll Tax Expense	105,171
Travel	89,369
Retirement Expense	86,687
Rent	81,127
Telephone and Communications	42,232
Student Interns	36,544
Supplies	32,106
Professional Fees - Other	28,363
Meeting Costs	24,300
Monthly Parking	16,272
Outreach Activities	12,047
Software	9,023
Dental Insurance	8,928
Conferences and Training	7,253
Insurance - General Liability	6,688
Worker's Comp	6,369
Unemployment Tax Expense	4,873
Dues and Memberships	3,817
Professional Fees - Audit	2,862
Postage	2,493
Bank Fees	1,277
Equipment	572
Insurance - Directors	483
Life Insurance	475
Furniture	229
Printing	136
<b>Total Expenses</b>	<u>5,953,073</u>
<b>Expenses in Excess of Revenues</b>	<u>\$ -</u>

**OMB CIRCULAR A-133 SECTION**

**LOUISIANA PUBLIC HEALTH INSTITUTE**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2013**

<b>FEDERAL GRANTOR/ PASS-THROUGH AGENCY/ PROGRAM TITLE (per CFDA)</b>	<b>Federal CFDA Number</b>	<b>Program Name</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Health and Human Services</b>			
Direct Programs:			
ARRA - Health Information Technology - Beacon Communities Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.727	Crescent City Beacon Community	\$ 5,173,947
Social Innovation Fund	93.283	REACH CORE	89,418
Teenage Pregnancy Prevention Program	94.019	Social Innovation Fund: Louisiana Reentry Initiative	14,520
	93.297	Orleans Teen Pregnancy Prevention Program	<u>1,326,253</u>
Subtotal Department of Health and Human Services Direct Programs			<u>6,604,138</u>
Passed through Louisiana Department of Health and Hospitals:			
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	OPH Tobacco Control Program Media	883,103
Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting Program	93.505	Maternal, Infant & Early Childhood Home Visitation Program	142,528
Affordable Care Act Personal Responsibility Education Program	93.092	Personal Responsibility Education Program	67,114
PPHF 2012 National Public Health Improvement Initiative	93.507	National Public Health Performance Standards Project	103,230
Occupational Safety and Health Program	93.262	SEET Public Health Project	81,313
Special Projects of National Significance	93.928	Louisiana SPNS Systems Linkage Project: HIV/AIDS	36,172
Maternal and Child Health Services Block Grant to the States	93.994	Children's Health Services	160,396
Maternal and Child Health Services Block Grant to the States	93.994	Maternal Child Health	291,603
Passed through Louisiana Healthcare Quality Forum:			
ARRA - Health Information Technology Regional Extension Centers Program	93.718	Regional Extension Center	<u>105,848</u>
Subtotal Department of Health and Human Services Pass-through Programs			<u>1,871,307</u>
Total U.S. Department of Health and Human Services			<u>8,475,445</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 8,475,445</u>

See accompanying notes to schedule of expenditures of federal awards.

# LOUISIANA PUBLIC HEALTH INSTITUTE

## Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2013

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### Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Louisiana Public Health Institute and is prepared in accordance with the accrual method of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit-Organizations*.

### Note 2. Subrecipients

Louisiana Public Health Institute provided federal awards to subrecipients as follows:

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Amount Provided</b>
ARRA - Health Information Technology - Beacon Communities	93.727	\$ 1,772,980

**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters Based on  
an Audit of Financial Statements Performed in Accordance  
with Government Auditing Standards**

To the Board of Directors  
Louisiana Public Health Institute

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Louisiana Public Health Institute (LPHI), which comprise the financial statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and changes in net assets and cash flows for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, and have issued our report thereon dated August 13, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered LPHI's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of LPHI's internal control. Accordingly, we do not express an opinion on the effectiveness of LPHI's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether LPHI's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of LPHI's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LPHI's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information of the Board of Directors, management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana, and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA  
August 13, 2013



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## **Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133**

To the Board of Directors  
Louisiana Public Health Institute

### **Report on Compliance for Each Major Federal Program**

We have audited Louisiana Public Health Institute's (LPHI) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of LPHI's major federal programs for the year ended June 30, 2013. LPHI's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management' Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of LPHI's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about LPHI's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of LPHI's compliance with those requirements.

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### **Opinion on Each Major Federal Program**

In our opinion, LPHI complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

### **Report on Internal Control Over Compliance**

Management of LPHI is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered LPHI's internal control over compliance with types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of LPHI's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on an timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charges with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

This report is intended for the information and use of the Board of Directors, management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana, and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Metairie, LA  
August 13, 2013

**LOUISIANA PUBLIC HEALTH INSTITUTE**  
**Schedule of Findings and Questioned Costs**

**For the Year Ended June 30, 2013**

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**A. Summary of Audit Results**

1. The auditor's report expresses an unqualified opinion on the financial statements of Louisiana Public Health Institute.
2. No significant deficiencies relating to the audit of the financial statements of Louisiana Public Health Institute are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Louisiana Public Health Institute were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs is reported in the Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Louisiana Public Health Institute expresses an unqualified opinion.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in Part C of this Schedule.
7. The programs tested as major programs included:

<u>Program Title</u>	<u>CFDA No.</u>
ARRA Health Information Technology - Beacon Communities	93.727
ARRA - Health Information Technology Regional Extension Center Program	93.718
PPHF 2012 National Public Health Improvement Initiative	93.507
Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting Program	93.505

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Louisiana Public Health Institute was determined to be a low-risk auditee.

**B. Findings - Financial Statements Audit**

None.

**C. Findings and Questioned Costs - Major Federal Award Programs Audit**

None.

**LOUISIANA PUBLIC HEALTH INSTITUTE**  
**Schedule of Prior Year Findings**

**For the Year Ended June 30, 2013**

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**A. Prior Year Findings**

None.